

DeCONCINI McDONALD YETWIN & LACY

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

2525 EAST BROADWAY BOULEVARD • SUITE 200 • TUCSON, ARIZONA 85716-5300
(520) 322-5000 • (520) 322-5585 (Fax)

EVO DeCONCINI (1901-1986)

DENISE M. BAINTON	MARIAN C. LALONDE
JOHN C. E. BARRETT	MARK D. LAMMERS
JEANNETTE L. BICKNER	LISA SCHRINER LEWIS
ALICE W. CALLISON	MATTHEW J. MANSFIELD
MICHAEL A. CORDIER	NANCY J. MARCH
BARRY M. COREY	JOHN R. McDONALD
DENNIS DeCONCINI	JARED G. PARKER
ANDREW Y. ERWIN	ALYCE L. PENNINGTON
SHELTON L. FREEMAN	JOHN C. RICHARDSON
HEATHER K. GAINES	IRA M. SCHWARTZ
PETER B. GOLDMAN	LISA ANNE SMITH
NATHAN B. HANNAH	SPENCER A. SMITH
IVA S. HIRSCH	SESALY O. STAMPS
LAWRENCE D. HIRSCH	GARY F. URMAN
JAMES A. JUTRY	MICHAEL R. URMAN
KRISTEN B. KLOTZ	RICHARD M. YETWIN
JOHN C. LACY	

BARRON & POLK, P.L.L.C. - OF COUNSEL
JOHN H. BARRON, III
JAY M. POLK

BARRETT L. KIME - OF COUNSEL
SARA J. VANCE - OF COUNSEL

March 28, 2011

7310 N. 16TH STREET, SUITE 330
PHOENIX, ARIZONA 85020
(602) 282-0500
FAX: (602) 282-0520

19 WEST BIRCH AVENUE
FLAGSTAFF, ARIZONA 86001
(928) 214-0466
FAX: (928) 214-6212

6909 E. MAIN ST.
SCOTTSDALE, ARIZONA 85251
(480) 398-3100
FAX: (480) 398-3101

1680 DUKE STREET, THIRD FLOOR
ALEXANDRIA, VA 22314
(703) 838-6200
FAX: (202) 315-3600

www.deconcinimcdonald.com

PLEASE REPLY TO TUCSON
hgaines@dmyl.com

Federal Communications Commission
Telecommunications Access Policy Division
445 12th Street SW
Washington, DC 20554

RE:	CC Docket No. 02-6	
	Applicant Name:	Marana Unified School District
	Form 471 Application Number:	531608; 569965
	Funding Years:	2006; 2007
	Service Provider:	Trillion Partners, Inc.
	Billed Entity Number:	143113
	FCC Registration Number:	0012077996
	SPIN:	143025872

To whom it may concern:

This firm represents Marana Unified School District ("Marana"), the recipient of the Notification of Commitment Adjustment Letters ("Notification Letters") attached hereto as Exhibit A. Marana is hereby appealing from the determination rescinding the above-referenced funding commitments. With respect to Form 471 Application Number 531607 (funding year 2006), no funds were disbursed and no refund is sought from the District. However, the District requests that the funding commitment be reinstated. With respect to Form 471 Application Number 569965 (funding year 2007), funding has been disbursed, and USAC seeks to recover these funds. This appeal is filed on the District's behalf. On December 10, 2010, the District appealed the denial of funding under this contract for funding years 2009 and 2010. Both the December 10 appeal and the current appeal are also intended to support the master appeal filed by Trillion Partners, Inc. on November 3, 2010.

The basis of this appeal is set forth in detail in the letter attached hereto as Exhibit B, which was sent to Pina Portanova of the Schools and Libraries Division in response to a request

DeCONCINI McDONALD YETWIN & LACY

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

Federal Communications Commission

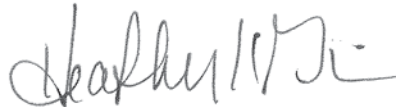
March 23, 2011

Page 2

for information concerning Marana's contract with Trillion, and which was further submitted in connection with the appeal for the 2009 and 2010 funding years.

Please do not hesitate to contact me if I can provide you with any additional information.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Heather K. Gaines', with a stylized flourish at the end.

Heather K. Gaines

Enclosure

c (w/enc): Daniel J. Contorno (via e-mail)
Mitch J. Eichenseer (via e-mail)

I:\FILES\DOCS\MARA01\100746\LTRL64312.DOC

EXHIBIT A
TO 3/28/11 APPEAL LETTER



Schools and Libraries Division

Notification of Commitment Adjustment Letter

Funding Year 2006: July 1, 2006 - June 30, 2007

January 28, 2011

Dan Hunt

MARANA SCHOOL DISTRICT 6

11279 W GRIER RD

MARANA, AZ 85653 9609

Re: Form 471 Application Number:	531607
Funding Year:	2006
Applicant's Form Identifier:	MUSD Y-06 E-Rate WAN
Billed Entity Number:	143113
FCC Registration Number:	0012077996
SPIN:	143025872
Service Provider Name:	Trillion Partners, Inc
Service Provider Contact Person:	Virginia Bryant

Our routine review of Schools and Libraries Program (Program) funding commitments has revealed certain applications where funds were committed in violation of Program rules.

In order to be sure that no funds are used in violation of Program rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see "Red Light Frequently Asked Questions (FAQs)" posted on the FCC website at http://www.fcc.gov/debt_collection/faq.html.

TO APPEAL THIS DECISION:

You have the option of filing an appeal with USAC or directly with the Federal Communications Commission (FCC).

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRN) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Rd.
P. O. Box 902
Whippany, NJ 07981

For more information on submitting an appeal to USAC, please see the "Appeals Procedure" posted on our website.

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted on our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letter Reports" posted at <http://usac.org/sl/tools/reference/guide-usac-letter-reports.aspx> for more information on each of the fields in the Report. USAC is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with Program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Virginia Bryant
Trillion Partners, Inc

Funding Commitment Adjustment Report for
Form 471 Application Number: 531607

Funding Request Number:	1468437
Services Ordered:	TELCOMM SERVICES
SPIN:	143025872
Service Provider Name:	Trillion Partners, Inc
Contract Number:	MUSD-ER2006-WAN
Billing Account Number:	5206824817
Site Identifier:	143113
Original Funding Commitment:	\$127,545.60
Commitment Adjustment Amount:	\$127,545.60
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$0.00
Funds to be Recovered from Applicant:	\$0.00

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review, documentation provided by you and/or your vendor indicated that there was not a fair and open competitive bid process free from conflicts of interest. The documents provided by the applicant and/or service provider indicated that throughout the contractual relationship numerous meetings were held, e-mail discussions, and/or verbal discussions were held with the service providers employees prior to the posting of the Form 470 and throughout the competitive bidding process, which tainted the competitive bidding process. In addition, the service provider consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by the service provider since they assisted the applicant in developing your services specifications for your FCC Form 470/or RFP. It has been determined that the bidding process was compromised due to a failure to conduct a fair and open competitive bidding process free from conflicts of interest. Therefore, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

Funding Request Number:	1468735
Services Ordered:	INTERNET ACCESS
SPIN:	143025872
Service Provider Name:	Trillion Partners, Inc
Contract Number:	MUSD-ER2006-WAN
Billing Account Number:	5206824817
Site Identifier:	143113
Original Funding Commitment:	\$2,285.40
Commitment Adjustment Amount:	\$2,285.40
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$0.00
Funds to be Recovered from Applicant:	\$0.00

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review, documentation provided by you and/or your vendor indicated that there was not a fair and open competitive bid process free from conflicts of interest. The documents provided by the applicant and/or service provider indicated that throughout the contractual relationship numerous meetings were held, e-mail discussions, and/or verbal discussions were held with the service providers employees prior to the posting of the Form 470 and throughout the competitive bidding process, which tainted the competitive bidding process. In addition, the service provider consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by the service provider since they assisted the applicant in developing your services specifications for your FCC Form 470/or RFP. It has been determined that the bidding process was compromised due to a failure to conduct a fair and open competitive bidding process free from conflicts of interest. Therefore, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

Funding Request Number:	1468603
Services Ordered:	TELCOMM SERVICES
SPIN:	143025872
Service Provider Name:	Trillion Partners, Inc
Contract Number:	MUSD-ER2006-WAN
Billing Account Number:	5206824817
Site Identifier:	143113
Original Funding Commitment:	\$129,792.00
Commitment Adjustment Amount:	\$129,792.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$0.00
Funds to be Recovered from Applicant:	\$0.00

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review, documentation provided by you and/or your vendor indicated that there was not a fair and open competitive bid process free from conflicts of interest. The documents provided by the applicant and/or service provider indicated that throughout the contractual relationship numerous meetings were held, e-mail discussions, and/or verbal discussions were held with the service providers employees prior to the posting of the Form 470 and throughout the competitive bidding process, which tainted the competitive bidding process. In addition, the service provider consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by the service provider since they assisted the applicant in developing your services specifications for your FCC Form 470/or RFP. It has been determined that the bidding process was compromised due to a failure to conduct a fair and open competitive bidding process free from conflicts of interest. Therefore, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

Funding Request Number:	1469006
Services Ordered:	INTERNET ACCESS
SPIN:	143025872
Service Provider Name:	Trillion Partners, Inc
Contract Number:	MUSD-ER2006-WAN
Billing Account Number:	5206824817
Site Identifier:	143113
Original Funding Commitment:	\$26,270.40
Commitment Adjustment Amount:	\$26,270.40
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$0.00
Funds to be Recovered from Applicant:	\$0.00

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review, documentation provided by you and/or your vendor indicated that there was not a fair and open competitive bid process free from conflicts of interest. The documents provided by the applicant and/or service provider indicated that throughout the contractual relationship numerous meetings were held, e-mail discussions, and/or verbal discussions were held with the service providers employees prior to the posting of the Form 470 and throughout the competitive bidding process, which tainted the competitive bidding process. In addition, the service provider consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by the service provider since they assisted the applicant in developing your services specifications for your FCC Form 470/or RFP. It has been determined that the bidding process was compromised due to a failure to conduct a fair and open competitive bidding process free from conflicts of interest. Therefore, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.



Schools and Libraries Division

Notification of Commitment Adjustment Letter

Funding Year 2007: July 1, 2007 - June 30, 2008

January 28, 2011

Dan Hunt

MARANA SCHOOL DISTRICT 6

11279 WEST GRIER ROAD

MARANA, AZ 85653 9609

Re: Form 471 Application Number:	569965
Funding Year:	2007
Applicant's Form Identifier:	MUSD Y-07 E-Rate WAN, Voice, Inte
Billed Entity Number:	143113
FCC Registration Number:	0012077996
SPIN:	143025872
Service Provider Name:	Trillion Partners, Inc
Service Provider Contact Person:	Virginia Bryant

Our routine review of Schools and Libraries Program (Program) funding commitments has revealed certain applications where funds were committed in violation of Program rules.

In order to be sure that no funds are used in violation of Program rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see "Red Light Frequently Asked Questions (FAQs)" posted on the FCC website at http://www.fcc.gov/debt_collection/faq.html.

TO APPEAL THIS DECISION:

You have the option of filing an appeal with USAC or directly with the Federal Communications Commission (FCC).

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRN) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Rd.
P. O. Box 902
Whippany, NJ 07981

For more information on submitting an appeal to USAC, please see the "Appeals Procedure" posted on our website.

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted on our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letter Reports" posted at <http://usac.org/sl/tools/reference/guide-usac-letter-reports.aspx> for more information on each of the fields in the Report. USAC is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with Program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Virginia Bryant
Trillion Partners, Inc

Funding Commitment Adjustment Report for
Form 471 Application Number: 569965

Funding Request Number:	1573238
Services Ordered:	TELCOMM SERVICES
SPIN:	143025872
Service Provider Name:	Trillion Partners, Inc
Contract Number:	MUSD-ER2006-WAN
Billing Account Number:	5206824817
Site Identifier:	143113
Original Funding Commitment:	\$128,772.00
Commitment Adjustment Amount:	\$128,772.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$128,079.68
Funds to be Recovered from Applicant:	\$128,079.68

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review, documentation provided by you and/or your vendor indicated that there was not a fair and open competitive bid process free from conflicts of interest. The documents provided by the applicant and/or service provider indicated that throughout the contractual relationship numerous meetings were held, e-mail discussions, and/or verbal discussions were held with the service providers employees prior to the posting of the Form 470 and throughout the competitive bidding process, which tainted the competitive bidding process. In addition, the service provider consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by the service provider since they assisted the applicant in developing your services specifications for your FCC Form 470/or RFP. It has been determined that the bidding process was compromised due to a failure to conduct a fair and open competitive bidding process free from conflicts of interest. Therefore, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

Funding Request Number:	1587171
Services Ordered:	TELCOMM SERVICES
SPIN:	143025872
Service Provider Name:	Trillion Partners, Inc
Contract Number:	MUSD-ER2006-WAN
Billing Account Number:	5206824817
Site Identifier:	143113
Original Funding Commitment:	\$127,585.95
Commitment Adjustment Amount:	\$127,585.95
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$126,918.60
Funds to be Recovered from Applicant:	\$126,918.60

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review, documentation provided by you and/or your vendor indicated that there was not a fair and open competitive bid process free from conflicts of interest. The documents provided by the applicant and/or service provider indicated that throughout the contractual relationship numerous meetings were held, e-mail discussions, and/or verbal discussions were held with the service providers employees prior to the posting of the Form 470 and throughout the competitive bidding process, which tainted the competitive bidding process. In addition, the service provider consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by the service provider since they assisted the applicant in developing your services specifications for your FCC Form 470/or RFP. It has been determined that the bidding process was compromised due to a failure to conduct a fair and open competitive bidding process free from conflicts of interest. Therefore, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

Funding Request Number:	1587223
Services Ordered:	INTERNET ACCESS
SPIN:	143025872
Service Provider Name:	Trillion Partners, Inc
Contract Number:	MUSD-ER2006-WAN
Billing Account Number:	5206824817
Site Identifier:	143113
Original Funding Commitment:	\$2,153.55
Commitment Adjustment Amount:	\$2,153.55
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$2,153.55
Funds to be Recovered from Applicant:	\$2,153.55

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review, documentation provided by you and/or your vendor indicated that there was not a fair and open competitive bid process free from conflicts of interest. The documents provided by the applicant and/or service provider indicated that throughout the contractual relationship numerous meetings were held, e-mail discussions, and/or verbal discussions were held with the service providers employees prior to the posting of the Form 470 and throughout the competitive bidding process, which tainted the competitive bidding process. In addition, the service provider consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by the service provider since they assisted the applicant in developing your services specifications for your FCC Form 470/or RFP. It has been determined that the bidding process was compromised due to a failure to conduct a fair and open competitive bidding process free from conflicts of interest. Therefore, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

Funding Request Number:	1587335
Services Ordered:	INTERNET ACCESS
SPIN:	143025872
Service Provider Name:	Trillion Partners, Inc
Contract Number:	MUSD-ER2006-WAN
Billing Account Number:	5206824817
Site Identifier:	143113
Original Funding Commitment:	\$24,754.80
Commitment Adjustment Amount:	\$24,754.80
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$24,754.80
Funds to be Recovered from Applicant:	\$24,754.80

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review, documentation provided by you and/or your vendor indicated that there was not a fair and open competitive bid process free from conflicts of interest. The documents provided by the applicant and/or service provider indicated that throughout the contractual relationship numerous meetings were held, e-mail discussions, and/or verbal discussions were held with the service providers employees prior to the posting of the Form 470 and throughout the competitive bidding process, which tainted the competitive bidding process. In addition, the service provider consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by the service provider since they assisted the applicant in developing your services specifications for your FCC Form 470/or RFP. It has been determined that the bidding process was compromised due to a failure to conduct a fair and open competitive bidding process free from conflicts of interest. Therefore, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

EXHIBIT B
TO 3/28/11 APPEAL LETTER

DeCONCINI McDONALD YETWIN & LACY

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

2525 EAST BROADWAY BOULEVARD • SUITE 200 • TUCSON, ARIZONA 85716-5300

(520) 322-5000 • (520) 322-5585 (Fax)

EVO DeCONCINI (1901-1986)

DENISE M. BAINTON
JOHN C. E. BARRETT
JEANNETTE L. BICKNER
ALICE W. CALLISON
MICHAEL A. CORDIER
BARRY M. COREY
DENNIS DeCONCINI
ANDREW Y. ERWIN
SHELTON L. FREEMAN
HEATHER K. GAINES
PETER B. GOLDMAN
NATHAN B. HANNAH
IVA S. HIRSCH
LAWRENCE D. HIRSCH
JAMES A. JUTRY
KRISTEN B. KLOTZ
JOHN C. LACY

MARIAN C. LALONDE
MARK D. LAMMERS
LISA SCHRINER LEWIS
MATTHEW J. MANSFIELD
NANCY J. MARCH
JOHN R. McDONALD
JARED G. PARKER
ALYCE L. PENNINGTON
JOHN C. RICHARDSON
IRA M. SCHWARTZ
LISA ANNE SMITH
SPENCER A. SMITH
SESALY O. STAMPS
GARY F. URMAN
MICHAEL R. URMAN
RICHARD M. YETWIN

BARRON & POLK, P.L.L.C. - OF COUNSEL
JOHN H. BARRON, III
JAY M. POLK

BARRETT L. KIME - OF COUNSEL
SARA J. VANCE - OF COUNSEL

7310 N. 16TH STREET, SUITE 330
PHOENIX, ARIZONA 85020
(602) 282-0500
FAX: (602) 282-0520

19 WEST BIRCH AVENUE
FLAGSTAFF, ARIZONA 86001
(928) 214-0466
FAX: (928) 214-6212

6909 E. MAIN ST.
SCOTTSDALE, ARIZONA 85251
(480) 398-3100
FAX: (480) 398-3101

1680 DUKE STREET, THIRD FLOOR
ALEXANDRIA, VA 22314
(703) 838-6200
FAX: (202) 315-3600

June 22, 2010

www.deconcinimcdonald.com

PLEASE REPLY TO TUCSON
jrichardson@dmvl.com

Via Federal Express and Electronic Mail

Pina Portanova
USAC, Schools and Libraries Division
PO Box 685
Parsippany, NJ 07054-0685

RE: Marana Unified School District – Denial of funding pursuant to Application 661850, FRNs 867259, 1867293, 1867213; Application 743075, FRNs 2006044, 2006074, 2006105, 2006140, and Application 661850 FRN 1907563 (collectively, the “Applications”)

Dear Ms. Portanova:

This firm represents the Marana Unified School District (the “District”). We are in receipt of your letter dated June 1, 2010 on behalf of the Schools and Libraries Division (“SLD” herein) regarding the above-referenced Applications, and on behalf of the District, we are hereby requesting that you reconsider your decision to deny funding pursuant to those Applications. The Applications relate to services provided by Trillion for Wide Area Network (“WAN”) data and telephone services, pursuant to an RFP and Form 470 posted on January 13, 2006 and awarded by the District’s Governing Board on February 16, 2006.

I. The District Conducted a Fair and Open Competitive Bidding Process

The bidding process that resulted in the award of a contract to Trillion was commenced by the posting of a Form 470 and RFP on January 13, 2006, seeking bids for WAN data and telephone services. The RFP was created by Dan Hunt, the District’s Director of Technology, based upon the District’s needs at that time. E-mail correspondence retrieved from Mr. Hunt’s files indicates that he had been meeting with various WAN and voice service providers for months prior to the issuance of the RFP to determine what types of services were available and

DECONCINI McDONALD YETWIN & LACY

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

Pina Portanova
June 22, 2010
Page 2

what services would best meet the District's needs. See Exhibit A, attached hereto. A month before the RFP was posted, in an e-mail dated December 13, 2005 (a copy of which is attached as Exhibit B), Mr. Hunt explained to the District's finance and procurement directors why the RFP was needed, why the District was operating under such significant time constraints, and the costs that would result from continuing the District's existing contract with Qwest.

Mr. Hunt prepared and posted the Form 470, as well as preparing the RFP. The RFP called for a single vendor to provide E-Rate-eligible WAN voice and data services. Nicely Done Consulting, which has served as the District's E-Rate consultant since November 2008, has reviewed the RFP and determined that it contained "specifications that are normal and frequently specified for a procurement of this type" and that were not unique to a single vendor or source. See Exhibit C, letter dated June 10, 2010 from Ernest N. Nicely, Nicely Done Consulting, to Dan Contorno. Mitchell Eichenseer, the District's Director of Technology since July 2008, was not employed by the District at the time the Trillion contract was awarded, has submitted a letter dated June 21, 2010 in which he concurs with Mr. Nicely and states that in his professional experience, it is not unusual to see RFP's for "bundled" voice and data services, and that this is in fact the standard in the industry at this time. See Exhibit D, letter from Mitchell Eichenseer dated June 21, 2010.

Once the District posted the Form 470 on January 13, 2006, the earliest a contract could be awarded was February 12, 2006. The District's RFP set a date of February 13, 2006 for the submission of all proposals, and on February 14, the District's 8-member selection committee met and reviewed each of the 5 proposals that were submitted in response to the RFP. The committee members were provided with a matrix for scoring the proposals, based upon the evaluation criteria and points system that were set forth in the RFP. Three of the proposals were deemed unresponsive because they included either WAN or telecommunications services, but not both.

Four of the selection committee members are still employed by the District and submitted affidavits regarding the proposal review and selection process. See Exhibits E through H, attached hereto and incorporated herein by reference. Each of these committee members stated, unequivocally, that they reviewed the proposals based upon the materials submitted by each bidder, and scored the proposals independently based upon the prescribed scoring matrix.

A review of the RFP itself, and the bid review and selection process, demonstrates that the award of the contract to Trillion was the result of a fair and competitive bidding process.

II. The Bidding Process Complied With the Arizona School District Procurement Code

In addition to satisfying the requirements of the SLD for a fair and competitive bidding process, the District's award of the contract to Trillion complied with all applicable Arizona procurement laws. In procuring the WAN and telecommunication services, the District was required to follow the provisions of the Arizona School District Procurement Code found at R7-

DeCONCINI McDONALD YETWIN & LACY

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

Pina Portanova
June 22, 2010
Page 3

2-1001 of the Arizona Administrative Code. The District chose to issue a request for proposals under the provisions of R7-2-1041 entitled, "Competitive Sealed Proposals". We have reviewed the RFP issued by the District as well as the applicable procurement rules of the State of Arizona and have determined that the content and conduct of the request for proposals was compliant with the requirements of the applicable procurement rules.

The request for proposals was provided to ten vendors (see list of vendors and questions attached hereto as Exhibit I) and five vendors submitted proposals prior to closing of the RFP. The District formed a selection committee comprised of eight individuals. The selection committee met and scored each of the responsive proposals. Each selection committee member prepared a score sheet, copies of which are attached as Exhibit J. The score sheets of all selection committee members were tabulated and each of the selection committee members chose Trillion as the responsive offeror whose proposal was determined to be most advantageous to the District based on the criteria set forth in the RFP, including price, quality of services provided and other factors identified in the RFP. The evaluation of proposals was conducted in accordance with the requirements of R7-2-1046 and the award was made in accordance with the requirements of R7-2-1050. Therefore, it is our opinion that the procurement conducted by the District to procure the WAN and telecommunication services is fully compliant with the procurement code provisions applicable to this type of procurement under Arizona law.

As noted above, our office's review of the selection process indicates that the award of the contract to Trillion was the result of a fair and competitive bidding process, and that the process was in full compliance with all applicable Arizona procurement laws.

III. The District's Contacts With Trillion Did Not Provide Trillion With Information Not Available to All Bidders

The primary factor cited in your June 1 letter as a basis for denying the Applications was the alleged contacts between Mr. Hunt and Trillion prior to and after the posting of the RFP and Form 470. Reviewing the e-mail correspondence cited in your letter, however, it appears that Mr. Hunt was attempting to secure information about the types of telephone and data services available to school districts as he was in the process of creating specifications for an RFP. These e-mails do not provide any indication that Mr. Hunt was providing Trillion with "inside" information that would be helpful to them during the bidding process. Your letter also disregards the fact that Qwest, as an existing service provider for the District, had extensive "inside" knowledge of the District's existing systems and equipment. There is further evidence in the Mr. Hunt's files (see Exhibit A), that Mr. Hunt was in contact with other service providers prior to the posting of the Form 470 and RFP to discuss the types of services available. There is no evidence that Trillion had any role in the preparation of the RFP and, in fact, the evidence suggests that Mr. Hunt used various RFPs previously utilized by other public entities in drafting the RFP. See Exhibit K, affidavit of Mitchell Eichenseer dated June 21, 2010.

DeCONCINI McDONALD YETWIN & LACY

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

Pina Portanova
June 22, 2010
Page 4

Once the Form 470 was posted, Mr. Hunt provided the RFP to all ten of the interested service providers who requested copies and provided each of these potential bidders with copies of any questions posed by any of the potential bidders and the District's responses to those questions. See Exhibit I. Trillion did not receive any additional or special information during this time. Although there is evidence that Mr. Hunt and his spouse had planned to have dinner with Trillion's salesperson and his spouse, there is no evidence as to whether this dinner in fact occurred, and the District's finance director sent an e-mail to Mr. Hunt indicating that such a dinner would be inappropriate. It seems likely, therefore, that the dinner did not occur.

In reviewing the discussion of competitive bidding on the USAC website under step 3 we note that USAC defines the term "fair" to mean that all bidders are treated the same and that no bidder has advance knowledge of the project information. We believe that this is not legally correct or a practical definition of the term "fair". In connection with competitive bidding, the term fair means that no bidder has advance knowledge of project information that would give the bidder an unfair advantage or that provides advance knowledge not available to other bidders in connection with the procurement process. Applying the SLD definition of fair would disqualify automatically any vendors holding an existing contract with the District for the services being procured since the contractor who is currently under contract for the services would certainly have advance knowledge of the project information. Applying this definition to disqualify anyone holding an existing contract would require that you always award a contract to a new vendor under any procurement. This definition of "fair" cannot be not a legally correct standard and is totally unworkable in public procurement.

In this situation, the existing telecommunications vendor for the District was Qwest. Clearly, Qwest had substantial advance knowledge of the project. In fact, Qwest had much more substantial advance knowledge than did Trillion. While Trillion did gain some advance knowledge prior to the issuance of the RFP, neither Trillion nor Qwest obtained any advance knowledge that was not contained in the RFP and available to each of the vendors who submitted proposals or anyone else who had obtained a copy of the RFP and had availed themselves of the information contained therein. Having advance knowledge of such information does not render a procurement unfair unless the advance knowledge is not available to all vendors on a timely basis, providing them the opportunity to incorporate such knowledge into their proposals. Clearly in this case each vendor had access to all relevant factors pertaining to the procurement. Thus, neither Qwest's advance knowledge nor Trillion's advance knowledge would render the process either unfair or not "open and competitive."

Your letter further contains allegations regarding benefits Mr. Hunt may have received from Trillion after the award of the contract. Any such benefits, however, are irrelevant to the discussion of whether there was a fair and competitive bidding process leading up to the award of the contract. The affidavits of the selection committee indicate that their scoring decisions were not influenced in any way by Mr. Hunt, but instead were the result of the materials included in the vendor's proposals. Each of the committee members scored Trillion's bid higher than

DECONCINI McDONALD YETWIN & LACY

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

Pina Portanova
June 22, 2010
Page 5

STC's, in all categories considered. Trillion's financial quote was clearly lower than that of STC.

It is further worth noting that, even if Trillion had received information regarding the District's system prior to submitting the RFP (which the District does not admit happened), there is no evidence that this information improved Trillion's chance of success. The scoring categories were as follows: Total Price; Service Level Agreement; Example Project; Customer References; Vendor Summary; E-Rate Clauses; and Scalability of Solution. None of these scores would have improved as a result of Trillion's allegedly superior knowledge of the District's existing telecommunications and wireless system. Furthermore, Qwest, as the District's existing service provider, almost certainly had greater knowledge of the systems than any other bidder, including Trillion, but Qwest failed to even submit a fully responsive bid.

IV. The Cases Cited do Not Support a Denial of Funding to the District

It is undisputed that the federal law and guidelines regarding E-Rate funding require that Districts utilize a fair and competitive bidding process. The cases cited in your letter, while they stand for the proposition that the bidding process must be open and competitive, do not support a denial of funding in this case. In *Ysleta Independent School District*, FCC-03-313 Order, 19 FCC, the particular paragraph cited (§60) states only that "direct involvement in an application process by a service provider would thwart the competitive bidding process." *Ysleta* at §60. There is no allegation in this case that Trillion was directly involved in the bidding process. Dan Hunt prepared the Form 470 and the RFP – Trillion did not. The contact person listed on the Form 470 and RFP was Dan Hunt, a District employee. (See *MasterMind Order*, FCC-00-167a1, at §10). Mr. Hunt responded to all questions from potential bidders, and provided all potential bidders with copies of the questions that were received and the answers to those questions. The FCC in *MasterMind* noted that the contact person, who in *MasterMind* was an employee of a vendor, "exerts great influence over an applicant's competitive bidding process by controlling the dissemination of information regarding the services requested." *Id.* That was not the case with Marana's bidding process – the District was completely in control of all aspects of the process and controlled the dissemination of information. The actual dissemination was accomplished in a fair and equitable manner in this case.

The other two cases cited in your letter, *SEND Technologies, LLC*, DA-07-1270A1 (Order, DA 07-127A1) and *Caldwell Parish* (Order, DA 08-449) are similarly distinguishable from the present case. In *SEND*, the school district's designated contact person owned a 15% interest in the company that was awarded the contract, at the time the RFP and Form 470 were posted. In the present case, no District employee had any ownership or employment interest in Trillion (or any other potential service provider), at the time the RFP and Form 470 were posted. Mr. Hunt was not employed by Trillion until mid-2008, over two years after this contract was awarded. In *Caldwell Parish*, an employee of SEND had assisted the Jackson School District in determining the types of services it needed and in filling out the Form 470. The SEND employee also submitted the Form 470 from SEND's office. Trillion did not assist Mr. Hunt in preparing

DeCONCINI McDONALD YETWIN & LACY

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

Pina Portanova
June 22, 2010
Page 6

the RFP or Form 470, and had no involvement in completing or posting the Form 470. Trillion did not relieve the District of performing any of the tasks that would normally be completed in a competitive bidding process. The holding in Caldwell Parish with regard to Jackson School District is therefore inapplicable here.

The award of the contract to Trillion was in compliance with Arizona procurement laws in an open and competitive process, and was based upon an evaluation of the proposals submitted by competing vendors in accordance with the criteria set forth in the RFP.

V. Conclusion

The District conducted a fair and competitive bidding process that resulted in the award of a contract to Trillion. A committee of unbiased individuals determined, based on objective scoring matrices, that Trillion's proposal was responsive and was superior to all other proposals. The undisputed facts support this conclusion, and the District is therefore entitled to funding pursuant to the Applications, and is further entitled to funding under any other applications related to services provided by Trillion pursuant to the RFP and Form 470 at issue here.

Very truly yours,



Heather K. Gaines

c (via e-mail): Douglas D. Wilson
Mitchell J. Eichenseer
Daniel J. Contorno

EXHIBIT A

Temp01

From: Bradley Feder [bhf@simplybits.com]
Sent: Monday, January 23, 2006 5:21 PM
To: Old Director
Subject: RE: Monthly Qwest costs

Sorry to here about your short staffing. If you are looking for temporary help, have you thought about WJM? If that is not an option, I have a sister company that routinely goes and supplements IT staff. They can be found at www.nextrio.com but I don't want to short circuit any relationship that you may have with WJM.

Thanks for the RFP, we will go over it tomorrow.

From: Hunt, Dan [mailto:D.C.Hunt@maranausd.org]
Sent: Monday, January 23, 2006 4:24 PM
To: Bradley Feder
Cc: Michael Bernstein
Subject: RE: Monthly Qwest costs

Life has been a blur since we last met and I truly apologize that I didn't responded back sooner. I am presently 4 staff members short, 2 positions being my lead tech positions, so needless to say, my life has been extremely busy. I was thinking about your company just last night and was planning to email or call tomorrow, so this is pretty amazing timing.

We filed our Form 470 for e-rate and have an RFP out to upgrade our WAN connectivity speeds as well as possibility implementing a new telephony solution. I have attached the RFP (titled Y-2006 E-rate Bid.doc), a Form W-9, a no bid response document, and a document clarifying a few questions that have already been asked about the RFP (titled Inquiries and Responses.doc). These are the same documents I have provided all vendors that have requested the opportunity to bid on providing these services. If you have any questions or need clarification, please feel free to contact me.

Thanks,

Dan

From: Bradley Feder [mailto:bhf@simplybits.com]
Sent: Monday, January 23, 2006 3:41 PM
To: Bradley Feder; Hunt, Dan
Cc: Michael Bernstein
Subject: RE: Monthly Qwest costs

Hi Dan,

Just wanted to touch base with you regarding the email I sent last month. We would like to work with you and MUSD in any way we can. Is there an opportunity to provide you and the district with a formal quote on any of our services?

Perhaps we can get together again for lunch. I look forward to hearing from you.

Best regards,
 Bradley Feder
 Simply Bits

From: Bradley Feder
Sent: Friday, December 02, 2005 10:28 AM
To: 'Hunt, Dan'
Cc: Michael Bernstein
Subject: RE: Monthly Qwest costs

Dan,

We also enjoyed having lunch and getting a chance to meet you.

Thanks for the information, could I ask for some clarification?

Based on the numbers you emailed, is it my understanding that to provide internet to the 13 locations costs \$6,385.73? (the sum of the 6Mb, DS3 & 13 T1's)

If that is the case, then final delivered price w/o tax is \$491.21 per location (\$6,385.73/13)?

We can deliver a T1 worth of internet for \$303 per month, and it is expandable well beyond the 1.5Mb limit a normal T1 has.

Here are some sample monthly prices for each location:

1.5Mb	\$303
2Mb	\$393
3Mb	\$573
4Mb	\$786

Although we can not currently guarantee coverage to every location you may have interest in, we believe our discussions with you and Tony will allow us to build out the network to take most locations, if not all, into account. Could you provide the following additional information so that we can understand the coverage needs, and get a plan together for you:

- 1) Physical address of each location under consideration
- 2) Your desired implementation order of those locations

Thanks for allowing us the opportunity to serve your needs, we look forward to giving you the solutions that you are looking for.

Best regards,
 Brad

From: Hunt, Dan [mailto:D.C.Hunt@maranausd.org]
Sent: Wednesday, November 30, 2005 3:20 PM
To: Michael Bernstein; Bradley Feder
Subject: Monthly Qwest costs

Mike and Brad,

I really enjoyed having lunch with you today and discussing the future for Marana Town and School District. Thanks for lunch and thanks for your willingness to sit and discuss options.

Here is the information I promised as far as my connectivity costs go presently.

\$2405.00/month - 6Mb Internet connectivity costs
\$1365.00/month - DS3 connection
\$2615.73/month - 13 T1 connections to schools (\$201.21 per site)

Proposed QMOE connectivity (not even guaranteed that Qwest is willing to put the money up for the buildout)

\$1671.20/month - 200 Mbps connection to the district campus hub site - \$1200.00 hookup
\$9360.00/month - 10Mbps connections to 13 schools (\$720.00 per site)

Thanks again,

Dan

--
No virus found in this incoming message.
Checked by AVG Free Edition.
Version: 7.1.362 / Virus Database: 267.13.10/189 - Release Date: 11/30/2005

--
No virus found in this outgoing message.
Checked by AVG Free Edition.
Version: 7.1.362 / Virus Database: 267.13.11/191 - Release Date: 12/2/2005

--
No virus found in this outgoing message.
Checked by AVG Free Edition.
Version: 7.1.375 / Virus Database: 267.14.21/235 - Release Date: 1/19/2006

--
No virus found in this incoming message.
Checked by AVG Free Edition.
Version: 7.1.375 / Virus Database: 267.14.21/235 - Release Date: 1/19/2006

--
No virus found in this outgoing message.
Checked by AVG Free Edition.
Version: 7.1.375 / Virus Database: 267.14.21/235 - Release Date: 1/19/2006

Temp01

From: Paul DeAlva [Paul.DeAlva@netsian.net]
Sent: Thursday, February 02, 2006 2:58 PM
To: Old Director
Subject: RE: Network proposal

Thanks for getting back to me. I must of missed your 470. Yes I am interested. Can you email it or, I can stop by and pick it up.

Thanks,
Paul

From: Hunt, Dan [mailto:D.C.Hunt@maranausd.org]
Sent: Thursday, February 02, 2006 2:52 PM
To: Paul DeAlva
Subject: RE: Network proposal

My day is completely booked tomorrow. However, we did post a Form 470 and have an RFP out for WAN data and voice services right now, closing on February 13, 2006. If you are interested in receiving a copy, just let me know.

Dan

From: Paul DeAlva [mailto:Paul.DeAlva@netsian.net]
Sent: Thursday, February 02, 2006 2:52 PM
To: Contorno, Dan; Hunt, Dan
Subject: Network proposal

Gentlemen,

Are you available tomorrow (Friday the 3rd) around 11:30? I just wanted to touch base regarding the budgetary proposal I provided to you last year. As you know, the erate window closes on the 16th. Mohave and SPO both have SLD erate approved master contracts now which means, that when utilizing these contracts, you don't have to put up a 470. You just reference the appropriate Mohave and/or SPO 470 number on your 471 and your good to go.

Let me know about tomorrow. I'll be coming back from meetings in Nogales and Rio Rico so I may be running behind, if this is the case, I'll let you know. Perhaps we can multi-task and get lunch at the same time.

Thanks,

Paul De Alva

NETSIAN

Technologies Group

1305 W. 1st Street

Tempe, AZ 85281

480/ 505-6871 Direct

480/ 505-6971 Fax

602/ 513-9275 Cell

paul.dealva@netsian .net

EXHIBIT B

Houston, Hazel

From: Hunt, Dan
Sent: Tuesday, December 13, 2005 12:04 PM
To: Contorno, Dan
Cc: Houston, Hazel
Subject: RFP and Form 470 filing

Dan and Hazel,

As I mentioned to you in our conversation this morning, we are in a huge dilemma that I will accept responsibility for, as I trusted the State to come through on some promises they had made. The state posted a Form 470 for Erate and put out an RFP for telecommunications services a while back. They also had Mohave post a Form 470 and put out an RFP for internal connections around the same time. The state did this to assist school districts in the Erate process (to help us get more federal money to put back into their excess utilities budget). The state realized that they were getting less money in Erate than they had in years past and decided it was because there were not state contracts in place for schools to purchase from, thus schools weren't going through all of the hassles of applying for Erate. So, when the state put out their own RFP and Form 470, they began telling school districts across the state (in erate meetings which I attended as well as statewide telecommunications meetings) that we shouldn't submit our own Form 470 as they would have all of their stuff completed by the middle to end of December which would be in plenty of time to meet the Erate filing windows. I spoke with Chris Castillo (state Erate person) at the end of last week and she told me we really needed to do our own Form 470 as the state wouldn't have their act together in time to meet Erate filing window deadlines. This is a huge issue as the services we will be seeking through Erate will require us to do an RFP. I cannot submit my Form 470 until I have an RFP ready for vendors to respond to. I cannot put out an RFP until the Board approves me to do so, which means January 13, 2006, is the earliest date I can have an RFP on the streets. After some research I have determined that we will be able to meet all Erate deadlines if we are able to get Board approval to put out an RFP for high speed WAN and telephone services on the January 12, 2006, Board agenda. However, I don't think that truly solves our problem. If we put the RFP on the street on January 13, 2006, (after getting Board approval on January 12, 2006) according to Erate guidelines we have to leave it open for 28 days which takes us out to February 10, 2006. Since there is absolutely no way that we will have a Board meeting between February 10, 2006, and the closing of the Erate 471 Form filing window on February 16, 2006, for the Board to award the bid, we are in a mess. Before I can file my Form 471, which again has to be done by February 16, 2006, I have to not only have approval by the Board to award the RFP, I have to have all Erate documents signed by District representatives as well as the company representatives of the company that wins the RFP.

Since I have really not pitched the Wireless Wide Area Network to the Board to start with (as I don't think they should really care how we move data, wired or wireless, as long as it is done with few interruptions and at a good price) I wonder if trying to push this through quickly is a good idea. If we don't, we do have a few options of which I don't know which one is the best.

OPTION 1: Continue doing what we are doing with Qwest, but move to a month to month contract for the time being which will cost us more money. Presently spending \$26,000.00 to \$30,000.00 per month and this is already coming out of our M&O or excess utilities money.

OPTION 2: We could do an RFP outside of the Erate window and if it came in for the same or less money than we are already spending, we could just be responsible for the costs until the next Erate cycle.

I don't know. I am just thinking aloud. If there is the possibility to put the RFP on the street before the January 12, 2006, Board meeting, that might be a good thing. If not, we will survive.

Thanks,

Dan

12/14/2005

EXHIBIT C

NICELY DONE

consulting

June 10, 2010

Mr. Dan Contorno
Chief Financial Officer
Marana Unified School District
11279 W. Grier Road
Suite 107
Marana, AZ 85653

Mr. Contorno:

After review of the Marana Unified School District RFP Proposal Number "MUSD 06-020 E-Rate WAN," I failed to find any specification that was or had the appearance of being proprietary to one vendor; or that would prohibit the procurement from being a fair and open competitive process.

The RFP contained two primary specifications:

- A Wide Area Network that integrates Voice and Data Services
- The media, or mode of transport, was undetermined so that all modes would be considered; including wireless, fiber optic cable, or high speed copper cable

The RFP contained detailed specifications that are normal and frequently specified in a procurement of this kind:

- 100 Mbs Bandwidth on the Wide Area Network to carry Voice, Data, and Video Services
- Quality of Service for Voice Traffic
- A Service Level of 99.99% uptime

There were no specifications unique to a single vendor or source.

Addressing the first primary specification, the District was seeking to obtain an integrated solution to provide bandwidth for both voice and data traffic. This is not uncommon, especially with the advent of Voice over IP technologies where voice traffic is in fact integrated with data traffic. Indeed, the USAC has approved many funding requests for just such solutions. There are certain advantages for the District to have these services provided by a single vendor:

- Scale of Economy in pricing for these services
- Reduced costs and resource requirements by having only one network to support
- Single vendor problem resolution eliminates "finger-pointing"
- Simplified billing

The fact that the District sought an integrated solution may have excluded some potential vendors, who only provide data services, from providing a response. But there still remains sufficient numbers of vendors that can provide these integrated services to allow for a fair and open competitive procurement process.

NICELY DONE

consulting

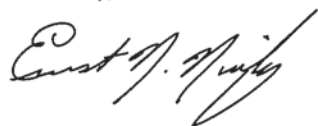
Most any procurement that includes RFP specifications has the effect of excluding some vendors. That is the purpose of having specifications; as long as the specification is not proprietary to one source, and there are a sufficient number of vendors who would be able to respond to such procurement to provide a fair and open competitive process. A case in point is that if a district has standardized on a particular brand of network electronics, it has a right to continue to specify that particular brand of equipment in a procurement process, even though there will be vendors that are not resellers of that brand of equipment; again as long as there are sufficient vendors able to respond to provide a competitive process.

In this case, there are vendors who were not be able to provide an integrated solution for voice and data, yet there were sufficient numbers of vendors who could provide an integrated solution for voice and data to provide for a fair and open competition. There are six such vendors listed on the Arizona State Master Contract alone.

Further, the second primary specification, as stated in the Scope of Work Project Overview that "The media of this network is undetermined, and all modes will be considered (i.e. Wireless -licensed and/or unlicensed- and/or fiber optic cable and/or high speed copper cable or any combination thereof), with SLA guarantees" had the effect of opening the procurement process to more potential vendors. As stated above, there are six Arizona State Master Contract vendors that are capable of and do provide integrated voice, data, and video services via wireless or Metropolitan Optical Ethernet, built with fiber optic and/or high speed copper cable infrastructures.

In summary, my review concludes that there are no specifications in both the Terms and Conditions or the Scope of Work contained in the RFP Specification "MUSD 06-020 E-Rate WAN" that would have the effect of preventing a fair and open competitive process. This is based on 32 years of experience in writing technical RFP specifications and conducting technical procurement processes.

Sincerely,



Ernest N. Nicely
Partner
Nicely Done Consulting, LLP

EXHIBIT D

GOVERNING BOARD

Eric Brandriff, President
John Lewandowski, Vice President
Suzanne Hopkins, Member
Maribel Lopez, Member
Dan Post, Member



ADMINISTRATION

Doug Wilson, Ed.D., Superintendent
Carolyn Dumler, Ed.D., Assistant Superintendent
Jan Truitt, Ed.D., Assistant Superintendent
Dan Contorno, Chief Financial Officer

June 21, 2010

To Whom It May Concern:

I have been Marana Unified School District's Director of Technology since July, 2008. In connection with the letter dated June 1, 2010 from Pina Portanova of the USAC Schools and Libraries Division ("SLD"), I have reviewed the District's files regarding its contract with Trillion for WAN data and telephone services. Based upon my review, I believe that the actions taken by my predecessor in issuing an RFP for both wireless wide area networking (WWAN) and voice over internet protocol (VOIP) exhibited sound judgment.

There are numerous companies, including Trillion, that provide services of this type, and the bundling of services with one provider leads to significant benefits for the customer (in this case, the District). Companies like Trillion are commonly called "Value Added Resellers" (or VAR's), and since the 1990's (and possibly before), VAR's have been a fixture in American business, and in particular, the technology sector.

According to Wikipedia.org:

"A value-added reseller (or VAR) is a company that adds features to an existing product, then resells it (usually to end-users) as an integrated product or complete "turn-key" solution. This practice occurs commonly in the electronics industry, where, for example, a VAR might bundle a software application with supplied hardware."

It has been my experience that VAR's have provided better levels of service to the end user. For example, prior to coming to the District I was employed at PSINet, a first-tier internet service provider (ISP) located in Herndon, VA in the mid-1990's. PSINet would commonly purchase (on behalf of its client) T1, T3, or fiber circuits for organizations to connect their existing local area network (LAN) to the internet. This circuit was owned and maintained by PSINet. The reason for this practice was two-fold:

- PSINet, by not allowing the customer to own the circuit, would be able to maintain an element of control so that troubleshooting service interruptions was easier and far more efficient
- Customers of PSINet had to place only one phone call when service interruptions occurred

By selling a complete package, PSINet became very popular. As a matter of fact, when considering the size of its competitors in the marketplace at that time (AT&T, Sprint, MCI, UUNet, etc.), PSINet did more than just hold its own; they flourished in many markets internationally.

Other well-known examples today are Cox Communications and Comcast Corporation, who for many years provided exclusively television service over a coaxial medium. Today, they provide both cable television and telephony services. Traditional telecommunications companies such as Qwest

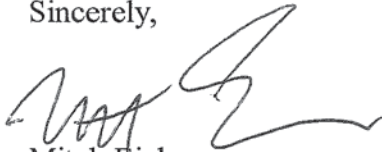
Communications, besides providing telephony, now partner with cell phone companies to provide digital services, as well as satellite companies to provide television services.

In short, when considering the many partnerships, as well as mergers and acquisitions that occur internationally, customers have come to expect "one-stop" shopping. By choosing one vendor to provide a multitude of services, it eliminates the ability of any one vendor to "point the finger" at another service provider for service disruptions.

As a person who was not employed by the Marana Unified School District at the time of the RFP being awarded to Trillion, and who has never worked for the previous Director of Technology, Mr. Dan Hunt, I feel that I can be very objective when looking at the decision to require a single company to provide different services. Consolidation of services to a single vendor is not only popular, it is preferred by many, both inside and outside my profession. It is preferred not only because of increased service levels, but also because it simplifies every aspect of dealing with a vendor, from service interruptions to billing issues.

To be sure, every organization, including the District, must focus on cost containment. "Bundling" multiple services with a single vendor sometimes does not make financial sense. However, based on my review of the bids in this case, it seems clear that Trillion's RFP bid was less expensive than other vendors, and provided a "turn key" solution, thereby providing all of the benefits of a "value added reseller."

Sincerely,

A handwritten signature in black ink, appearing to read "Mitch Eichenseer", with a stylized flourish at the end.

Mitch Eichenseer
Director of Technology
Marana Unified School District

EXHIBIT E

State of Arizona)
) ss
County of Pima)

I, Craig S. Rendahl, do hereby declare under penalty of perjury as follows:

1. I am currently employed by Marana Unified School District ("MUSD") as an Applications Manager.

2. In February 2006, I was employed by MUSD as Computer Technician.

3. As part of my duties for MUSD, I served on the committee that evaluated responses to RFP-MUSD-06-020 E-Rate WAN (the "RFP").

4. The RFP was issued in connection with an E-Rate Form 470 for Wide Area Network and IP Telephony Services, and bids were due by 1:00 p.m. on February 13.

5. The committee met on February 14 to review all of the proposals that were submitted by the February 13 deadline.

6. Each of the committee members had the opportunity to review each of the proposals and score them based upon a point matrix that was included in the RFP.

7. As a group, the committee decided that bids that did not include both WAN and telephone services would be considered unresponsive and would be scored accordingly.

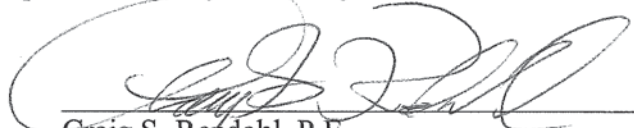
8. During the meeting of the committee, Dan Hunt, the District's Director of Technology, instructed us each to review the proposals independently and objectively and score them as we deemed appropriate.

9. I reviewed and scored the proposals based exclusively on the materials submitted by the bidders, and noted on my scoring sheet specifically if a vendor was unresponsive with their bid overall and if a particular aspect of a bid was partially unresponsive to the points contained in the RFP.

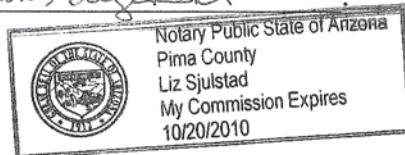
10. My scoring of the proposals was not influenced by any outside vendor or by Mr. Hunt.

11. Of the two proposals that included both WAN and telephone services, it was my opinion that Trillion's proposal was the best, and Trillion's proposal scored significantly higher overall in the scoring matrix.

12. This Declaration is based upon my own personal knowledge, information, and belief. If called upon to testify in this proceeding, my testimony would be consistent with this Declaration.


Craig S. Rendahl, P.E.

SUBSCRIBED AND SWORN TO before me this 14 day of June, 2010,
by Acknowledgement




Notary Public

EXHIBIT F

State of Arizona)
) ss
County of Pima)

I, Charlie Hastings, do hereby declare under penalty of perjury as follows:

1. I am currently employed by Marana Unified School District ("MUSD") as Network Systems Manager.

2. In February 2006, I was employed by MUSD as a Computer/Network Technician.

3. As part of my duties for MUSD, I served on the committee that evaluated responses to RFP-MUSD-06-020 E-Rate WAN (the "RFP").

4. The RFP was issued in connection with an E-Rate Form 470 for Wide Area Network and IP Telephony Services, and bids were due by 1:00 p.m. on February 13.

5. The committee met on February 14 to review all of the proposals that were submitted by the February 13 deadline.

6. Each of the committee members had the opportunity to review each of the proposals and score them based upon a point matrix that was included in the RFP.

7. As a group, the committee decided that bids that did not include both WAN and telephone services would be considered unresponsive and would not be scored.


8. During the meeting of the committee, Dan Hunt, the District's Director of Technology, instructed us each to review the proposals independently and objectively and score them as we deemed appropriate.

9. I reviewed and scored the proposals based exclusively on the materials submitted by the bidders.

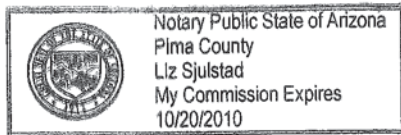
10. My scoring of the proposals was not influenced by any outside vendor or by Mr. Hunt.

11. Of the two proposals that included both WAN and telephone services, it was my opinion that Trillion's proposal was the best, and Trillion's proposal scored equal to or higher than STC in each category of the scoring matrix.

12. This Declaration is based upon my own personal knowledge, information, and belief. If called upon to testify in this proceeding, my testimony would be consistent with this Declaration.


Charlie Hastings

SUBSCRIBED AND SWORN TO before me this 15 day of June, 2010,
by Acknowledgement.




Notary Public

EXHIBIT G

State of Arizona)
) ss
County of Pima)

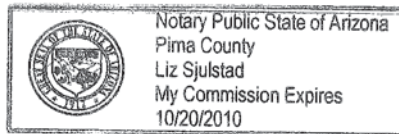
I, Thomas Payne, do hereby declare under penalty of perjury as follows:

1. I am currently employed by Marana Unified School District ("MUSD") as a Computer Network Manager.
2. In February 2006, I was employed by MUSD as Lead Computer Tech.
3. As part of my duties for MUSD, I served on the committee that evaluated responses to RFP-MUSD-06-020 E-Rate WAN (the "RFP").
4. The RFP was issued in connection with an E-Rate Form 470 for Wide Area Network and IP Telephony Services, and bids were due by 1:00 p.m. on February 13.
5. The committee met on February 14 to review all of the proposals that were submitted by the February 13 deadline.
6. Each of the committee members had the opportunity to review each of the proposals and score them based upon a point matrix that was included in the RFP.
7. As a group, the committee decided that bids that did not include both WAN and telephone services would be considered unresponsive and would not be scored.
8. During the meeting of the committee, Dan Hunt, the District's Director of Technology, instructed us each to review the proposals independently and objectively and score them as we deemed appropriate.
9. I reviewed and scored the proposals based exclusively on the materials submitted by the bidders.
10. My scoring of the proposals was not influenced by any outside vendor or by Mr. Hunt.
11. Of the two proposals that included both WAN and telephone services, it was my opinion that Trillion's proposal was the best, and Trillion's proposal scored equal to or higher than STC in each category of the scoring matrix.

12. This Declaration is based upon my own personal knowledge, information, and belief. If called upon to testify in this proceeding, my testimony would be consistent with this Declaration.

Thomas J. Payne
Thomas Payne

SUBSCRIBED AND SWORN TO before me this 15 day of June, 2010,
by Acknowledgement.



[Signature]
Notary Public

EXHIBIT H

State of Arizona)
) ss
County of Pima)

I, Jack Bullard, do hereby declare under penalty of perjury as follows:

1. I am currently employed by Marana Unified School District ("MUSD") as an Applications Manager.

2. In February 2006, I was employed by MUSD as a Computer Technician.

3. As part of my duties for MUSD, I served on the committee that evaluated responses to RFP-MUSD-06-020 E-Rate WAN (the "RFP").

4. The RFP was issued in connection with an E-Rate Form 470 for Wide Area Network and IP Telephony Services, and bids were due by 1:00 p.m. on February 13.

5. The committee met on February 14 to review all of the proposals that were submitted by the February 13 deadline.

6. Each of the committee members had the opportunity to review each of the proposals and score them based upon a point matrix that was included in the RFP.

7. As a group, the committee decided that bids that did not include both WAN and telephone services would be considered unresponsive and would not be scored.

8. During the meeting of the committee, Dan Hunt, the District's Director of Technology, instructed us each to review the proposals independently and objectively and score them as we deemed appropriate.

9. I reviewed and scored the proposals based exclusively on the materials submitted by the bidders.

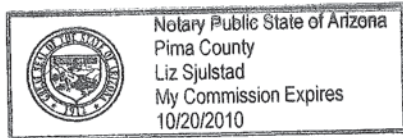
10. My scoring of the proposals was not influenced by any outside vendor or by Mr. Hunt.

11. Of the two proposals that included both WAN and telephone services, it was my opinion that Trillion's proposal was the best, and Trillion's proposal scored higher in each category of the scoring matrix.

12. This Declaration is based upon my own personal knowledge, information, and belief. If called upon to testify in this proceeding, my testimony would be consistent with this Declaration.

Jack W. Bullard
Jack Bullard

SUBSCRIBED AND SWORN TO before me this 21 day of June, 2010,
by Acknowledgement.



[Signature]
Notary Public